

# BEST PRACTICES FOR LIBRARIES



THOMAS LAUFFER, CPA, SHAREHOLDER  
*TLAUFFER@RAYMONDFWAGERCPA.COM*  
THOMAS ZUBER, CPA, SHAREHOLDER  
*TZUBER@RAYMONDFWAGERCPA.COM*

RAYMOND F. WAGER, CPA, P.C.

## KEY AREAS



- Claims Audit Process
- Cash Handling Procedures
- Written Policies for Finance Related Areas
- Payroll Processing Policies and Procedures
- Adequate Controls over Accounting and Reporting
- Mitigating Controls

# CLAIMS AUDIT PROCESS

## • Key Items

- Having a good claims audit plan in place
  - ✦ Identify the process to be followed for claims audit
  - ✦ Identify the specific item on each transaction to look for
    - Purchasing agent/department head approval
    - Receiving signature
    - Invoice amount
    - Ship to address
    - Appropriateness of expenditures (alcohol reimbursement)
    - Bidding and quoting compliance

# CASH HANDLING PROCEDURES

- Issuance of duplicate receipts
- Use of cash register
- Securing undeposited receipts
- Timeliness of deposits

## WRITTEN POLICIES FOR FINANCE RELATED AREAS

- Procurement policy
- Credit care policy
- Travel and conference policy
- Meal reimbursement policy
- Cash management and investment policy
- Receipts/revenue procedures
- Capitalization policy
- Online banking policy
- Treasurer's report to the Board policy
- Disaster recovery plan
- Claims audit process
- Code of ethics policy (conflicts of interest)

## PAYROLL PROCESSING POLICIES AND PROCEDURES

- Board authorization of salaries and wages
- Payrolls reviewed and certified
- Salary notices provided to employees
- Accurate time recording with Supervisor review

## ADEQUATE CONTROLS OVER ACCOUNTING AND REPORTING



- Segregation of duties
- Monthly bank reconciliations
- Supervisory review of accounting records
- Reporting to the Board

## MITIGATING CONTROLS



- Independent individual review and sign off on bank reconciliations
- Bank statements mailed to an independent individual who opens and reviews
- Review of vendor change reports
- Review of payroll change reports
- Control over cash receipt books
- Independent monitoring fee receivables